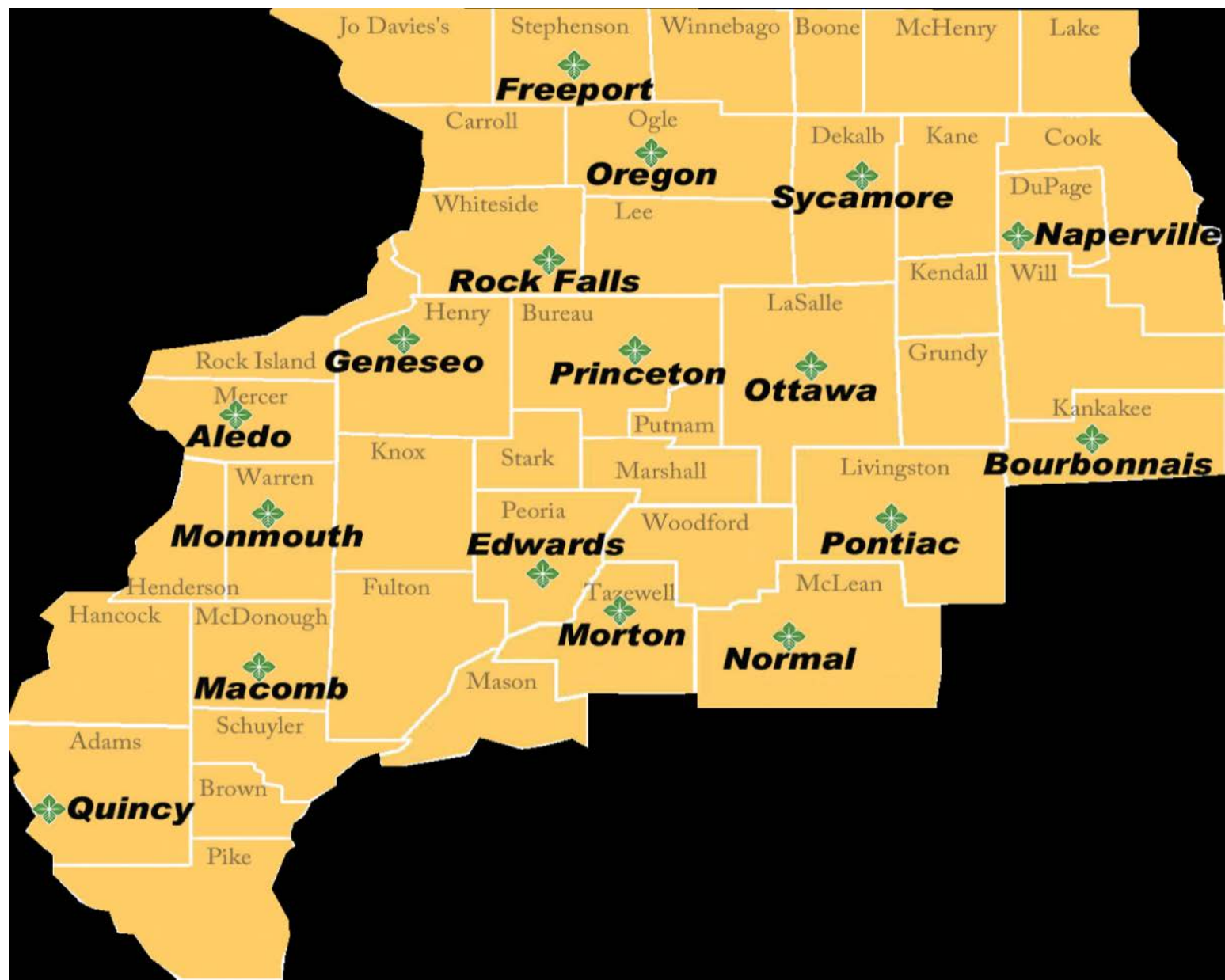




# Lending Requirements for Contract Finishers

- Mark Ray
- Vice President – Swine Specialist
  - 1<sup>st</sup> Farm Credit Services







## Ownership Equity (Post close)

Normal  $\geq 40\%$

Approved Integrator  $\geq 30\%$

YBS  $\geq 25\%$

## Liquidity

1.1:1 current ratio

## Repayment Capacity

115%

## Term/Loan to Appraised Value (new buildings)

10 year term – 80% loan/av

12 year term – 75% loan/av

15 year term – 70% loan/av

FSA guarantee – up to 85% loan/av with > 10 year



- Financial standards would be for strictly contract finish operations
- Manure easement land – 40 acres per 1200 head (may be part of collateral)
- Monthly amortized payments – may have assignment with payment made directly from integrator
- Interest only payments during construction (up to 6 months)
- Will request copy of building contract, DOA permit, and builder's risk insurance as well as project budget and cash flow
- Sworn Owner's Statement
- Sworn Contractor's Statement
- Lien waivers from General and in most cases subs and suppliers
- Consider experience and other employment





# Information needed

- Current Balance Sheet with schedules
- 3 – 5 years income tax returns
- Legal description of property (prior title work)
- Information on project
  - Integrator, who is the applicant
- Cash flow of project
- Operational cash flow if changes
- Project budget including bids or estimates
- FSA programs?